

HCS#2 SCS SB 729 -- POLITICAL SUBDIVISIONS

SPONSOR: Schaefer (Kelly, 24)

COMMITTEE ACTION: Voted "do pass" by the Committee on Local Government by a vote of 13 to 0.

This substitute changes the laws regarding political subdivisions. In its main provisions, the substitute:

(1) Adds Buchanan County to the list of counties authorized to impose, by rule, regulation, or ordinance a civil fine of up to \$1,000 for each violation of any county rule, regulation, or ordinance (Section 49.272, RSMo);

(2) Requires compensation paid by a municipality for services performed for the municipality by a county officer to be paid to the county and allows the county commission discretion whether to allow the county officer to retain the compensation. Currently, the compensation can be paid directly to and retained by the county officer in addition to his or her regular compensation (Section 50.332);

(3) Authorizes a county to decrease its budget twice during any fiscal year when there is a verifiable decline in funds of at least 2% that could not have been estimated or anticipated when the budget was adopted. Currently, a county is only authorized to amend its annual budget when it receives additional funds that could not be estimated. Any decrease in appropriations cannot unduly affect any one officeholder and cannot impact any dedicated fund authorized by law. Before any reduction affecting an elected officeholder can occur, negotiations must take place with all officeholders who receive funds from the affected category of funds in an attempt to cover the shortfall. The county must follow the county budget laws when decreasing its budget, except that 30 days' notice of a public hearing regarding any decrease to the county budget must be given, and it must include a published summary of the proposed reductions and an explanation of the shortfall. Currently, only five days' notice must be given for the public hearing on the original budget. County commissioners can reduce budgets of departments under their direct supervision and responsibility at any time without these restrictions. These provisions cannot restrict a charter county from amending its budget pursuant to the terms of its charter. These provisions will expire July 1, 2015 (Section 50.622);

(4) Specifies that Boone and Greene counties are not required to obtain bids on purchases of \$6,000 or less. Currently, the amount required is \$4,500 for all counties. Currently, a county

may waive competitive bidding when the county commission determines that there is only one feasible source for the supply. The commission must post notice for proposed purchases of at least \$3,000 and also advertise in the newspaper for purchases of at least \$5,000. The substitute changes the notice and advertising requirements for Boone and Greene counties, so that they are only required to advertise and post notice on proposed purchases which exceed \$6,000 (Sections 50.660 and 50.783);

(5) Specifies that an active member of the County Employees' Retirement System who dies after December 31, 2002, and before becoming vested will receive a death benefit of \$10,000 and an amount equal to the member's accumulated contributions standing to his or her credit in the fund (Sections 50.1130 and 50.1140);

(6) Requires collectors in all counties, except for counties under township organization, to mail or electronically send to an email address provided by the taxpayer a statement of all real and tangible personal property tax due to each resident taxpayer at least 30 days before the taxes are delinquent. If the county collector certifies that the tax statement was mailed or emailed less than 30 days before the delinquent date and the taxpayer pays within 15 days after the delinquent date or 15 days after the certified mailing date, no penalty or interest will be imposed (Sections 52.230 and 52.240);

(7) Authorizes any local governmental agency to use collection agencies to collect specified debts, including court or administrative fines or costs associated with a criminal conviction or entry of a civil judgment (Section 67.136);

(8) Authorizes any county to collect a fee for the collection of certain property assessments in neighborhood improvement districts (Section 67.463);

(9) Specifies that an unpaid special assessment in a neighborhood improvement district that is a lien upon the property may be foreclosed in the same manner as a tax upon real property by land tax sale under Chapter 141, which includes charter counties, counties of the first classification, and the City of St. Louis. Currently, these liens may be foreclosed in the same manner as a tax upon real property by a land tax sale under Chapter 140 or by a judicial foreclosure proceeding (Section 67.469);

(10) Authorizes the county commission in certain counties that have approved a countywide sales tax under Section 67.547 to enter into agreements with cities, towns, villages, and special road districts organized under Chapter 233 for the purpose of working cooperatively on the roads and bridges located in the

county, including the distribution of county funds to the entities. County funds that may be distributed include general revenue and revenue from the special road and bridge levy. Each city, town, village, or special road district must continue to receive its share of the county's special road and bridge levy, if any, that is annually considered by the commission. If the special road and bridge levy is not set at a level of at least 14 cents on each \$100 assessed valuation, the commission must distribute additional funds from any available county source in an amount that will, when combined with the special road and bridge levy revenues, allow it to distribute funds equal to the funding level of at least 14 cents on each \$100 assessed valuation. If at least 50% of a special road district is located in a city, town, or village, that entity must be entitled to receive the special road district's portion of any funds not paid through the special road and bridge levy. Currently, these provisions only apply to Cass, Clay, and Platte counties (Section 67.548);

(11) Specifies that an economic development tax board established by a city must consist of at least five members but may be increased to nine. Currently, a board consists of five members. The number of members must be designated in the order or ordinance imposing the sales tax authorized under Section 67.1305. One member of a five-member board or two members of a nine-member board must be appointed by the school districts within any economic development plan or the area funded by the sales tax. Three members of a five-member board or five members of a nine-member board must be appointed by the chief elected officer of the city with the consent of the majority of its governing body. One member of a five-member board or two members of a nine-member board must be appointed by the governing body of the county in which the city is located. If a board is already in existence on August 28, 2012, any increase in the number of members must be designated in an order or ordinance. The substitute also specifies the terms and election cycle for appointing the additional members (Section 67.1305);

(12) Allows any county collector to add a special property tax assessment to the annual real estate tax bill used for the collection of other real estate taxes. Currently, only the Boone County Collector is allowed to do this (Section 67.1521);

(13) Authorizes associate circuit judges in Greene County to hear and determine county traffic ordinance violations. Currently, associate circuit judges in only Cass County are authorized to do this. Also, associate circuit judges in both counties now are authorized to hear other county ordinance violations in addition to traffic violations (Section 67.2010);

(14) Creates a county drinking water supply lake authority in Christian County to promote the general welfare and a safe drinking water supply through the construction, operation, and maintenance of a drinking water supply lake in the county (Section 67.4505);

(15) Specifies that a petition requesting a voluntary annexation only needs to be notarized instead of verified. Any action to invalidate a previous annexation must be brought within three years of the date of the adoption of the annexation ordinance except for an action to deannex an area for failure of the annexing municipality to provide required services to the area within three years which must be brought within four years from the effective date of the annexation (Sections 71.012, 71.014, and 71.015);

(16) Authorizes North Kansas City to impose, upon voter approval, a retail sales tax of up to one-half of 1% for the purpose of improving the public safety for the city including, but not limited to, expenditures on equipment, city employee salaries and benefits, and facilities for police, fire, and emergency medical providers (Section 94.902);

(17) Changes the classification of time-share units for property tax purposes from commercial to residential property based on a ratio of the nights the time-share units are actually rented compared to the overall nights available for use in that time-share development. The substitute requires, on or before January 31 of each year, the developer, association, or person engaged to manage a time-share development on behalf of the developer or association who is responsible for remitting real property tax assessed on a time-share development to provide to the county assessor the percentage of use in a given year for that development based on the sales tax collected and remitted (Section 137.016);

(18) Allows the City of Kansas City to establish a land bank agency for the management, sale, transfer, and other disposition of tax delinquent lands and other lands in its possession in order to return it to effective use to provide housing, new industry, and jobs and to create new revenue for the city. The agency must be established by order or ordinance as provided by the city's charter and will only have authority over tax delinquent lands and other lands in its possession located within the city (Sections 141.210 - 141.790 and 141.980 - 141.1015);

(19) Requires elected members of the board of the Springfield School District in office on August 28, 2012, to hold office for the length of term for which they were elected, and any person appointed to fill a vacancy left by an elected member in office

on August 28, 2012, will serve for the remainder of the term to which the member replaced was elected. No school board member can serve more than four three-year terms after August 28, 2012 (Section 162.485);

(20) Requires Taney County, upon voter approval of a county sales tax for central dispatching of emergency services, to appoint a seven-member emergency services board including the county sheriff and at least one member from the head of any of the county's fire protection districts, the county's ambulance districts, the police departments in the county, and the county's emergency management organizations, or their respective designees, to administer the funds and oversee the provision of emergency services (Section 190.335);

(21) Authorizes, upon voter approval, a road and bridge revitalization district to be established in that part of the City of Kansas City that is located in Clay County to revitalize, repair, replace, and construct new roads, bridges, and related public infrastructure including storm water control systems. The district is authorized to impose, upon voter approval, an ad valorem tax of up to 10 cents per \$100 assessed valuation on all taxable property within the district (Section 238.415);

(22) Specifies that if any city, town, village, or county adopts, implements, and enforces a residential construction regulatory system applicable to residential construction within its jurisdiction, any fire protection district wholly or partially located therein is prohibited from enforcing or implementing a residential construction regulatory system. Any regulatory system adopted by a fire protection district or its board will be treated as advisory only and cannot be enforced. Fire protection districts will have final regulatory authority regarding the location and specifications of fire hydrants, fire hydrant flow rates, and fire lanes and can inspect residential dwellings but cannot charge a fee for the services (Section 321.228);

(23) Specifies that any person who has a real estate appraisal ordered, directly or indirectly, for property he or she owns or has a contract to purchase must have standing to file a complaint with the Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions and Professional Registration (Section 339.098);

(24) Authorizes any home rule city with more than 155,000 but less than 200,000 inhabitants to establish an administrative adjudication system (Section 479.011);

(25) Authorizes a home rule city with more than 155,000 but less than 200,000 inhabitants that owns and operates a municipal court building to impose a surcharge of \$10 on all municipal code violations for the purpose of funding the construction, remodel, repair, and maintenance of the municipal court building. Currently, only the City of Springfield has this authority (Section 479.085);

(26) Authorizes a judge to place a person charged with a bailable offense on house arrest who cannot afford the costs associated with electronic monitoring if the county commission agrees to pay the costs from its general revenue. If the county commission does not agree to pay the costs, the judge cannot order that person to be placed on house arrest with electronic monitoring (Sections 544.455 and 557.011);

(27) Extends the expiration date from December 31, 2012, to December 31, 2016, for the provision that allows a public governmental body to close the meetings, records, and votes that relate to the operational guidelines and policies developed, adopted, or maintained by any public agency responsible for law enforcement, public safety, first response, or public health for use in responding to or preventing any critical incident which is or appears to be terrorist in nature and which has the potential to endanger individual or public safety or health. The expiration date also is extended from December 31, 2012, to December 31, 2016, for the provision that allows a public governmental body to close the meetings, records, and votes that relate to existing or proposed security systems and structural plans of real property owned or leased by a public governmental body and information that is voluntarily submitted by a nonpublic entity owning or operating an infrastructure to any public governmental body for use by that body to devise plans for protection of that infrastructure, the public disclosure of which would threaten public safety (Section 610.021);

(28) Specifies that, beginning with the April 2013 municipal election, candidates for election to the board of the Springfield School District in which more than one seat is open must declare their candidacy for a specific seat, designated by letter. Candidates nominated by petition must also be designated for a particular seat. No school board member can serve more than four three-year terms after August 28, 2012 (Section 1); and

(29) Requires trace wire, or a similar device, to be used in certain excavations within a public right-of-way, easement, or street to give approximate locations of the underground lateral sewer pipe or water service line (Section 2).

The provisions of the substitute authorizing a county to amend its budget under specified circumstances contain an emergency clause.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Less than \$100,000 in FY 2013, FY 2014, and FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill will provide consistency among the various county purchasing statutes that previously raised the threshold amount above which bids must be let to \$6,000 and will make the bidding requirements consistent with the advertising requirements.

Testifying for the bill were Representative Leach for Senator Schaefer; and Melinda Bobbitt.

OPPOSERS: There was no opposition voiced to the committee.